

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00 INRE-00

ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

EB-07 FEAE-00 FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00

NSC-05 OMB-01 PM-04 SAM-01 OES-06 SP-02 SS-15 STR-04

TRSE-00 ACDA-07 PA-01 PRS-01 EA-07 NEA-10 OIC-02 IO-13

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TO SECSTATE WASH DC IMMEDIATE 2791

INFO ALL IEA CAPITALS 0033

C O N F I D E N T I A L SECTION 01 OF 03 OECD PARIS 19897

E.O. 11652: GDS

TAGS: ENRG, OECD

SUBJECT: IEA: DECISION TEXTS OF JULY 5-6 GB MEETING

REF: USOECD 19802

1. FOLLOWING ARE TEXTS OF PAPERS ADOPTED AT JULY 5-6
GB MEETING.

2. IEA WORK PROGRAM FOR CIEC:

BEGIN TEXT "HIGHLY CONFIDENTIAL"

1. DURING THE SECOND PHASE OF THE ENERGY
COMMISSION'S WORK, AND LOOKING BEYOND THIS TOWARDS THE
POSSIBILITY OF CONTINUING CONSULTATIONS, DISCUSSIONS
COULD FOCUS ON THREE MAIN AREAS OF CONCERN TO PARTICIPA-
TING COUNTRIES:

-- A REQUIREMENT TO ASSURE, DURING THE TRANSITION
PERIOD, ADEQUATE UNDERSTANDING IN THE WORLD COMMUNITY OF
THE ENERGY STRATEGIES OF INDIVIDUAL COUNTRIES IN ORDER
TO ASSURE THE COMPATIBILITY OF THESE STRATEGIES NEEDED
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TO MEET THE ENERGY REQUIREMENTS AND GENERAL ECONOMIC

I. INTEREST OF ALL COUNTRIES.

-- A RESOLUTION OF THE SPECIAL ENERGY PROBLEMS OF THE ENERGY-DEFICIENT DEVELOPING COUNTRIES, INCLUDING THE ASSURED SUPPLY OF ENERGY ESSENTIAL TO THEIR ECONOMIC DEVELOPMENT AND THE DEVELOPMENT OF THEIR INDIGENOUS ENERGY RESOURCES.

-- A RECOGNITION OF THE INTEREST OF THE OIL EXPORTING DEVELOPING COUNTRIES IN ASSURING ADEQUATE SUPPLIES OF ENERGY FOR THEIR OWN ECONOMIC PROGRESS IN THE POST-OIL ERA.

2. UNDERLYING THESE AREAS OF COMMON CONCERN FOR CONCENTRATION IS A RECOGNITION THAT, DURING THE TRANSITION PERIOD, ASSURED AND ADEQUATE SUPPLIES OF OIL WILL REMAIN ESSENTIAL FOR THE ECONOMIC WELL-BEING OF ALL COUNTRIES, WITH IMPLICATIONS FOR THE RESPONSIBILITY OF CONSUMING COUNTRIES IN TERMS OF CONSERVATION AND DEVELOPMENT OF INDIGENOUS ENERGY SOURCES, AND FOR THAT OF PRODUCING COUNTRIES IN TERMS OF SUPPLY.

3. IN DISCUSSING THE TERMS OF ACCESS TO ENERGY, INCLUDING OIL, DURING THE SECOND PHASE, CONSIDERATION SHOULD BE GIVEN TO THE FOLLOWING RELEVANT FACTORS:

- THE COMPETITIVE CHARACTERISTICS OF EACH SOURCE OF ENERGY AND THE DEGREE OF SUBSTITUTABILITY
- THE COMPARATIVE PRICES AND COSTS OF EXISTING ENERGY SOURCES, INCLUDING FUTURE TRENDS;
- THE PROBABLE RANGE OF COSTS OF DEVELOPING AND UTILIZING NEW ENERGY SOURCES;
- THE DELETABLE NATURE OF EXISTING ENERGY SOURCES;
- THE RELATIONSHIP BETWEEN ENERGY PRICES AND THE WORLD ECONOMY AS A WHOLE, PARTICULARLY THE ECONOMIC SITUATION OF THE ENERGY-DEFICIENT DEVELOPING COUNTRIES;
- THE PURCHASING POWER OF ENERGY EXPORT EARNINGS
- ENERGY SUPPLY AND DEMAND.

4. RESEARCH AND DEVELOPMENT AND TECHNOLOGY TRANSFER IN THE FIELD OF ENERGY WILL ALSO BE OF INTEREST TO ALL COUNTRIES DURING THE TRANSITION PERIOD, AS AN AREA FOR FRUITFUL INTERNATIONAL COOPERATION. DISCUSSIONS IN THE ENERGY COMMITTEE AND POSSIBLY THEREAFTER COULD POINT TO AREAS OF ENERGY R & D AND DEMONSTRATION OF PARTICULAR

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INTEREST TO DEVELOPING COUNTRIES, WITH A VIEW TO THEIR ACCESS TO EXISTING TECHNOLOGIES AND PARTICIPATION IN THE DEVELOPMENT OF NEW ENERGY TECHNOLOGIES APPROPRIATE TO THEIR NEEDS.
END TEXT

3. TENTATIVE COMPROMISE ON MSP QUESTION:
BEGIN TEXT

1. THE GOVEROING BOARD DECIDED:

(AS PUT FORWARD IN ANNEX I T. IEA/SLT(76)62)

2. T/E GOVNRNING BOARD AGREED TO 'ETURN AT ITS
NEXT ME.TING TO THE REMAINING TWO ISSUES - THE INTER-
PR.TATION OF THE LEVEL OF MSP AND THE QUESTION OF
INCLUSIO. O. EXCLUSION OF LIGHT PRODUCTS AND PETRO-
CHEMICAL FEED STOCKS - WITH THE UNDERSTANDING THAT ALL
DELEGATIONS WILL GIVE IN THE MEANTIME SERIOUS CONUIDERA-
TION TO THE FOLLOWING PROPOSAL BY THE CHAIRMAN:

A)

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I) ALL OIL PRODUCTS AS LISTED IN PARAGRAPHS 3
AND 4 OF ANNEX 1 OF THE PROGRAMME SHOULD BE
COVERED BY THE MSP SCHEME EXCEPT THOSE USED
AS FEED STOCKS BY T/E PETROCHEMICAL
INDUSTRY AND ABLE TO BE SO IDENTIFIED.

- II) THE MSP LEVEL SET FORTH IN CHAPTER III, SECTION D, PARAGRAPH 1 SHOULD BE INTERPRETED AS A PRICE CORRESPONDING TO US \$ 7/BBL F.O.B. FOR ARABIAN LIGHT (MARKER) CRUDE.
- III) THESE TWO ELEMENTS: FOR INTERPRETATION OF THE LEVEL OF THE MSP AND WITH RESPECT TO INCLUSION OF OIL PRODUCTS IN THE COVERAGE OF THE MSP MECHANISM SHALL BE CONSIDERED AS INTERLINKED AND SHALL BE IMPLEMENTED IN SUCH A MANNER AS TO ENSURE AN EQUITABLE BALANCE OF BURDENS AND BENEFITS BETWEEN PARTICIPATING COUNTRIES.

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- B) THE DECISIONS ABOVE A) SHALL BE VALID IN TWO YEARS.
- C) THE UNDERLYING UNDERSTANDING OF THE GOVERNING BOARD IN MAKING THE DECISIONS ABOVE IS THAT THE COMPETITIVE POSITION OF THE PETROCHEMICAL INDUSTRY OF THE PARTICIPATING COUNTRIES WHICH ARE DEPENDENT ON THE DOMESTICALLY REFINED NAPHTHALENE OTHER FEEDSTOCKS OUT OF IMPORTED CRUDE OIL SHOULD NOT BE JEOPARDIZED. THE GOVERNING BOARD, THEREFORE, AGREED THAT APPROPRIATE MEASURES COULD BE TAKEN TO AVOID SUCH A SITUATION. SUCH MEASURES WILL BE BROUGHT TO THE ATTENTION OF THE GOVERNING BOARD.

E6D 4EXT

4. GB DECISION ON CONSERVATION REPORT:

BEGIN TEXT

- (A) NOTED "THE 1976 REVIEW OF ENERGY CONSERVATION PROGRAMMES -- SUMMARY EVALUATION", CONTAINED IN IEA/SLT(76)58(1ST REVISION), AND DECIDED THAT THE REPORT SHALL BE PUBLISHED BY THE AGENCY IN ENGLISH AND FRENCH, WITH THE SUMMARY EVALUATIONS OF INDIVIDUAL COUNTRIES' PROGRAMS IN ALPHABETICAL ORDER.
- (B) REQUESTED DELEGATIONS TO SUBMIT TO THE SECRETARIAT BY 19TH JULY, 1976 ANY DESIRABLE LANGUAGE CHANGES NOT INVOLVING MODIFICATION OF THE SENSE OF THE TEXT, IN ORDER THAT THE REPORT SHALL BE READY FOR PUBLICATION IN JULY OR AUGUST, 1976.
- (C) NOTED THAT THE REPORT AS PUBLISHED SHOULD INDICATE THAT A FURTHER REVIEW WILL TAKE PLACE IN 1977.
- (D) NOTED THAT PARTICIPATING COUNTRIES WILL BE FREE, AFTER THE REPORT IS ISSUED, TO PUBLISH THE FULL-LENGTH INDIVIDUAL COUNTRY REPORT PERTAINING TO IT.

END TEXT

5. GB DE.ISION ON ELECTION OF CHAIRMEN AND VICE-
CHAIRMEN OF SEQ, GLT AND SOM:

BEGIN TEXT

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THE GOVERNING BOARD

(A) ACTING AS THE MANAGEMENT COMMITTEE, RECONFIRMED

MR. R. BURROWS AS CHAIRMAN OF THE STANDING

GROUP ON RELATIONS WITH PRODUCER AND OTHER

CONSUMER COUNTRIES, AND NOTED THAT MR. BURROWS

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HAS EXERCISED THE FUNCTIONS OF THAT OFFICE IN
ACCORDANCE WITH THE CONSENSUS REACHED AT THE
NINETEENTH MEETING OF THE GOVERNING BOARD AND
MANAGEMENT COMMITTEE ON 16TH MARCH, 1976.

(B) ACTING AS THE MANAGEMENT COMMITTEE, ELECTED THE
CHAIRMEN AND VICE-CHAIRMEN OF THE OTHER STANDING
GROUPS AS FOLLOWS:

(1) CHAIRMAN OF THE SEQ: MR. P. LE CHEMINANT
(UNITED KINGDOM);

VICE-CHAIRMAN OF
THE SEQ: MR. A.A.T. VAN RHIJN
(THE NETHERLANDS)

(2) CHAIRMAN OF THE SLT: MR. L. RAICHT
(UNITED STATES)

(3) CHAIRMAN OF THE SOM: MR. E. BECKER
(GERMANY), TO SERVE
FROM THE DAY FOLLOWING

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THE FIRST DAY OF THE
NEXT MEETING OF THE
SOM;

VICE-CHAIRMEN OF
THE SOM: MRS. D.E.F. CARTER
(UNITED KINGDOM)
MR. R. PRIDDLE
(CANADA)

(C) REQUESTED THE SOM CHAIRMAN TO REPORT TO THE
BOARD ON THE RESPECTIVE FUNCTIONS OF THE TWO
VICE-CHAIRMEN OF THE SOM.

(D) NOTED WITH SATISFACTION PROPOSALS FOR THE
ELECTION OF MR. H.L. SCHMID, (SWITZERLAND), AS
CHAIRMAN OF THE SLT SUB-GROUP ON CONSERVATION,
MR. P.C. BORRE, (UNITED STATES), AS CHAIRMAN OF
THE SLT SUB-GROUP ON THE ACCELERATED DEVELOPMENT
OF ALTERNATIVE SOURCES OF ENERGY AND MR. C.
HERZIG, (UNITED KINGDOM), AS CHAIRMAN OF THE SLT
NUCLEAR SUB-GROUP.

END TEXT
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